

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF LYDA	)	CASE NO. 9600-B
GAS COMPANY	)	

O R D E R

On October 1, 1986, the Commission issued its Order in Case No. 9600, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 30, 1990, Lyda Gas Company, Inc. ("Lyda") notified the Commission that its wholesale cost of gas was increased by its supplier, Equitable Resources, effective January 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Lyda's notice of January 30, 1990 set out certain revisions in rates which Lyda proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$1,932 or 50.69 cents per Mcf.

2. Equitable Resource's delivered price of gas to Lyda tracks the GSS-1 rate of Kentucky West Virginia Gas Company, Inc.

("Kentucky West"). Kentucky West applied with the Federal Energy Regulatory Commission for increased rates with an effective date of January 1, 1990. These rates are subject to refund; hence, Lyda's rates should be subject to refund. The effective date for Lyda's rates should be on and after the date of this Order.

3. Lyda proposed to include a transmission charge of 67 cents per Mcf in its rate increase. The Commission takes administrative notice of the inclusion of this charge in the delivered price of gas from Equitable Resources. Hence, an increase for the additional 67 cent transmission charge and rates based on that charge should not be allowed.

4. In future PGA filings Lyda should provide documentation indicating volumes purchased and wholesale rates for each of its suppliers.

5. The corrected adjustment in Lyda's rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9600 dated October 1, 1986 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after the date of this Order, subject to refund.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Lyda are hereby denied.


2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable and are approved effective with gas supplied on and after the date of this Order.

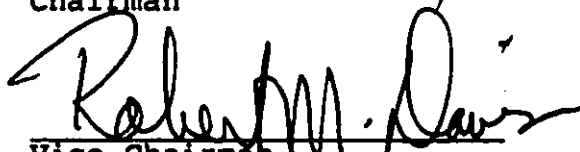
3. In future PGA filings Lyda shall file documentation indicating volumes purchased and wholesale rates for each of its suppliers.

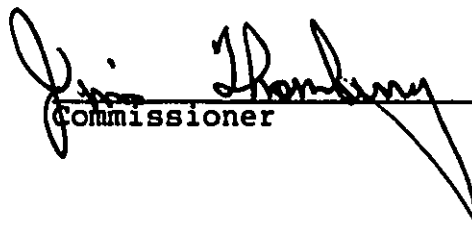
4. Within 30 days of the date of this Order, Lyda shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of March, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9600-B DATED 3/01/90

The following rates are prescribed for the customers served by Lyda Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

#### RATES: Monthly

First 2 Mcf or Less	\$10.4646 (Minimum Bill)
All over 2 Mcf Per Month	6.3623 Per 1,000 Cu. Ft.

The base rate for the future application of the purchased gas adjustment clause for Lyda Gas Company shall be:

#### Commodity

Equitable Resources	\$3.4486/Dth*
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\*Including \$0.0151 per Dth - Gas Research Institute Funding Charge and \$0.0018 per Dth Annual Charge Adjustment.